



Health Reform

**ACA Update
MDI Hospital
December, 2013**



Overview

- Affordable Care Act
 - Scope of Act
- Maine Health Insurance Marketplace
- Medicaid Expansion
- Resources



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Affordable Care Act Today

- Insurance Marketplace Launched Oct. 1
- Millions added to insurance pool
 - Expanded government support for lower income individuals and families
 - Opportunity to expanded Medicaid for the poorest
- Cost, quality & payment reform pilots
 - ACO & Medical Home



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The Affordable Care Act and MDI

- Last year, the MDI Hospital Organization provided 4.3 million in free and uncompensated care at our hospital and health centers
- Often, the uninsured don't seek care until their needs are emergent
- Many of these patients will have increased access to preventative services through the Health Insurance Marketplace



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Affordable Care Act – 2013 Implementation

- Community rating (standard) pricing
- Continued coverage up to age 26
- Prohibition from denying coverage for children based on pre-existing conditions
- High risk reinsurance programs
- Ban on lifetime coverage maximums
- Preventative coverage co-pay prohibition



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Preventative Benefits

All new insurance plans are **required to cover key preventive services**, with no co-pays, coinsurance, or deductibles (in-network)



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Preventative Benefits Include:

- Mammograms, pap smears, colonoscopies
- Blood pressure, diabetes and cholesterol testing
- Counseling about quitting smoking, losing weight, choosing healthy foods, treating depression, reducing alcohol use
- FDA-approved birth control methods, breastfeeding counseling and supplies, prenatal care
- Osteoporosis screening
- Flu vaccine and other immunizations
- Pediatric vision and oral health screenings



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State Decisions on ACA as of December, 2013

- Maine defaults to federally run Health Insurance Exchange/ Marketplace
 - 2 Insurers participating
 - Website “problematic”
- Medicaid expansion vetoed
 - New legislation to be introduced



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Affordable Care Act – 2014 Reforms

- Marketplace plans take effect Jan. 1
- Ban on denying coverage to adults for pre-existing conditions
- Individual mandate to buy coverage penalties phased in
 - Individual penalty – greater of 1% income or \$95 (2014) / 2.5% of income or \$695 (2016)
 - Family maximum \$285 (2014) / \$2,085 (2016)



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ACA Insurer Requirements

- Insurers only allowed to vary premiums by age, tobacco status, geographic region and family size
- Must provide Essential Health Benefits (EHB) including maternity and mental health benefits
- Maximum out of pocket costs \$6,350
- Pre-existing plans grandfathered



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Health Insurance Exchange/Marketplace

- Open enrollment began October 1, 2013, plans take effect Jan 1, 2014
 - Marketplace plans offer subsidies via a sliding scale for those from 100% - 400% FPL
 - Consumers are billed only for their portion, subsidies, in the form of tax credits, are paid directly to insurer
 - If income changes during the year, reconciliation will be made



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Health Insurance Marketplace

- Marketplace plans at 4 levels: “metal plans”
 - Bronze (60%), silver (70%), gold (80%) platinum (90%)
- Subsidies (“credits”) for low-income individuals on a sliding scale from 100% to 400% FPL (2014)
 - 100% Single - \$11,490, Family of 4 - \$23,550
 - 400% Single - \$45,960, Family of 4 - \$94,200
- Limits out of pocket expenses up to 250% (FPL)
- The Marketplace can be accessed in three ways: online, by mail, or in-person with the help of a Navigator or other qualified assistant



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Who qualifies for individual subsidies?

- Employees not eligible for Marketplace subsidy if:
 - Employer offers credible insurance
 - Plan pays at least 60% of costs
 - Employee premium no more than 9.5% of income
- Employers of 200 FTE's or more must automatically enroll employees



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Illustrating Marketplace Premiums

- The subsidy is calculated on the silver plan level, and does not decrease if the consumer opts for a lower or higher cost plan
- Example: A 40 year old adult at a 250% poverty rate (\$28,725) in Portland, Maine would receive a \$102 subsidy resulting in a rate of \$193 per month for the silver plan and \$133 per month for the bronze plan



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Participating Marketplace Insurers

- Maine Community Health Options
- Anthem
- Participation expected to increase over time
- Other state insurers will offer individual and small group plans off of the marketplace



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Marketplace Assistance: Navigators

- MDI Hospital
 - Contact Deb Turner, 207-460-2581
 - deb.turner@mdihospital.org
- Washington Hancock Community Action
 - Susan Farley, 1-800-828-7544
- Maine Lobstermen's Association
 - Contact April Gilmore, 207-967-4555
 - april@mainelobstermen.org



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Marketplace Assistance: CAC's

- Certified Application Counselors (CAC's) and Brokers
 - MDI Hospital – Financial Services Counselors
- Our clinical and support staff are the frontline for providing information and education to our patients



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Employer Provisions in Marketplace

- No requirement to offer insurance
- “Free rider” assessment employers of 50 FTE’s or more if 1 employee receives credit in exchange – waived 2014
 - Full time = 30 hours per week
 - Seasonal employees with fewer than 120 days excluded
 - Excludes first 30 employees
 - Lesser of \$2,000 per employee, or \$3,000 for each employee receiving credit



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Medicaid Expansion

- ACA created option to expand coverage to all adults under 65 with incomes at or below \$138% FPL (\$15,400 for an individual and about \$31,000 for a family of four.)
- From 2014-2016, feds would have covered 100 percent of cost of expansion
- As many as 70,000 uninsured Mainers would have gained coverage if passed



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Issue: Coverage Gaps

- Without Medicaid expansion, individuals with incomes too high for Medicaid but too low for Premium Tax Credits (less than 100% of the FPL) will have no coverage options and no tax credits for purchasing health insurance
- The gap exists because ACA legislation did not anticipate a U.S. Supreme Court ruling giving states the option to reject the Medicaid expansion, as Maine has



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Current Outstanding Issues / Challenges

- Unexpected reliance on Federal exchange
 - Website debacle
- Implications for states who have chosen not to expand Medicaid
- Coverage gaps
- Even with credits, some may consider plans unaffordable
- Adequacy of fines for not buying coverage



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Health Reform Resources

- MDI Hospital Patient Navigator
Deb Turner: 207-460-2581 deb.turner@mdihospital.org
- Washington Hancock Community Action
Susan Farley: 1-800-828-7544
- Kaiser Family Foundation: www.kff.org
- Consumers for Affordable Health Care:
1-800-965-7476 <http://www.maine cahc.org>
- Insurance Marketplace: www.healthcare.gov
- Enroll 207: www.enroll207.com



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